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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

STATUTORY REVIEW OF THE SYSTEM)	Docket No. RM 2017-3
FOR REGULATING RATES AND CLASSES		
FOR MARKET DOMINANT PRODUCTS		

DECLARATION OF DAVID O'SULLIVAN ON BEHALF OF GUIDEPOSTS FOUNDATION, INC.

- I, David O'Sullivan, declare as follows:
- 1. I am the Postal Affairs Manager for Guideposts. Guideposts is a Connecticut-based nonprofit organization that is exempt from federal income tax under Internal Revenue Code Section 501(c) (3). My business address is 100 Reserve Road, Suite E200, Danbury, CT 06810-5212.
- 2. I have worked for Guideposts for 26 years and have served in my current position for seven years. My role as Postal Affairs Manager requires that I monitor postage costs for Guideposts' direct mailings, review outputs to ensure compliance with postal regulations, and provide our Board of Directors and executive team with budget numbers for all postage-related expenses of our programs. I provide education on postal issues for the various departments of the organization.
- 3. Founded in 1945, Guideposts seeks to inspire and encourage people across the globe with positive, faith-filled principles for living. Guideposts is an

organization dedicated to inspiring the world to believe that anything is possible with hope, faith, and prayer.

Guideposts reaches millions of people, through our many outreach programs that allow us to connect with individuals and help sustain them in times of spiritual need. For example, through our "Comfort Kits" program Guideposts collaborates with over 600 hospitals in 49 states to bring specially designed care packages to tens of thousands of hospitalized children each year.

In addition, for over 60 years Guideposts has provided inspiration and courage to our nation's armed forces — both active duty and veteran — through our Military Outreach program. Last year, we supplied VA hospitals, military chaplains, and military bases with more than 1.1 million free booklets and inspirational materials. Our positive, faith-filled messages minister to those in harm's way and provide the hope and help they need.

For over 60 years, the Guideposts OurPrayer Ministry has prayed for millions of people from all over the world. Through the power of prayer, faith-filled articles, uplifting newsletters, social media and more, we strive to help people through challenging times and bring meaningful direction to their faith life.

Guideposts has developed a visionary, new program for people suffering from addiction that brings together community support, services and the transformative power of Guideposts stories — Resolve to Quit (R2Q). By supporting some of the nation's most

trusted treatment facilities and advocacy organizations, R2Q's mission is to embolden people to believe that there is hope in recovery. R2Q looks to ensure that those who struggle with recovery are strengthened and empowered by the life changing stories and inspirational content, which only Guideposts provides.

- 4. Mail is vital to Guideposts' mission of reaching people of faith and giving them strength to meet life's obstacles. Guideposts mails over 75,000,000 pieces of mail on an annual basis, totaling over \$17,000,000 in postage. The majority of this volume is at Standard non-profit rates. Guideposts also generates First class mail, business reply mail and Bound Printed Matter mail and we have two Periodical magazines. We are a large-volume mailer, and rely on the Postal Service for a significant portion of our charitable operations. During FY 2019, 37 percent of Guideposts' income was generated by direct mail fundraising, and mailing of complimentary publications accounted for a large portion of Guideposts' expenses. The primary way in which we share the power of faith is through an expansive variety of publications, including:
 - Our flagship *Guideposts* Magazine, as well as several other uplifting magazines in circulation;
 - Everyday inspiration from our *Daily Guideposts*, a collection of scripture verses and guidance, and our Daily Planner;
 - Numerous book titles, as well as a variety of daily, weekly, and monthly
 Guideposts newsletters and OurPrayer newsletters;
 - We distributed approximately 1 million booklets, of which over 250,000 were sent to military personnel.

- Cards and gifts, including over 100,000 signed military Christmas cards mailed to hospitalized veterans and military personnel throughout the United States.
- 5. The proposed removal of the Consumer Price Index cap, which would allow the Postal Service to significantly increase postal rates faster than inflation, would have a disastrous effect on our mission and our programs. Guideposts would immediately be forced to reduce the volumes of our Ministry programs. We would need to reduce the mail volume on our direct mail efforts, which in turn would lessen the amount of statement, renewals and acknowledgements that we mail as an organization. This would greatly impair our effectiveness as an organization: a good portion of our donors, beneficiaries and customers continue to prefer print publications and communications.
- 6. The mere possibility of the proposed postage rate hikes has already had an impact on Guideposts. The continuous effort to raise rates above inflation has caused our organization to substantially invest in our digital marketing programs. We are beginning our budget process for the year and with the prospect of higher than CPI rate increases; we will be unable to clearly project our postal expenses. This could lead to reduced mail volumes and an effort to convert to digital channels of communication. In

addition, once we make this conversion, we will not be able to return to previous mail volume levels.

- 7. Each year our Board of Directors and executive team reviews the organizations costs and makes decisions based on the impact of these costs. The PRC's current proposal would negatively affect the value of mail to our company. If postage rates were increased above CPI, Guideposts would be forced to reduce direct mail volumes. We would need to cut back on our ministry programs, military mailing and consequently reduce impact to our customers. Guideposts relies on the mail and the Post Office, and we would see our reach impaired by above CPI rate increases.
 - 8. Further declarant sayeth not.

VERIFICATION

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 30, 2020

David O'Sullivan

Guideposts